

Lawmakers inch toward July 1 deadline to avoid shutdown

By [Jerry Cornfield](#),
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OLYMPIA – One special session won't be enough for state lawmakers to end their budget stand-off so there will be another starting Friday.

That same day, unions representing thousands of state workers will be notified there may be layoffs if a new budget is not in place by July 1 when the fiscal year starts.

Those notices, required under collective bargaining agreements, signal a ramping up of preparations for a partial government shutdown should lawmakers fail to agree on a plan to fund state government for the next two years.

Private contractors will be getting letters warning that the state may not be able to pay them until lawmakers finish their work.

And dozens of agencies have filed [contingency plans](#) with the governor's office. Gov. Jay Inslee, his advisors and department heads must chisel out a list of programs and services to be scaled back or halted completely if there's no money available to pay for them.

House and Senate leaders insist a shutdown won't happen — but planning for the worst will continue nonetheless.

“We shouldn't be putting our citizens and our state employees in a situation where there is this uncertainty,” said Sen. Barbara Bailey, R-Oak Harbor. “Unfortunately, we've been here before when similar things were going on. It comes down to a difference of opinion with how you deal with the state budget.”

Rep. Ruth Kagi, D-Seattle, whose district includes south Snohomish County, said it's important to swiftly find a middle ground.

“Everybody's worried,” she said. “We want to get a budget and not keep people on the edge of their seats.”

In January, when the 2015 regular session began, some lawmakers predicted they would be in this situation if divisions between a House run by Democrats and a Senate controlled by Republicans could not be bridged.

Sure enough, that's what's happened.

Lawmakers will end their 30-day special session Thursday in much the same place they were when the 105-day regular session ended in April.

At the heart of the discord are not so much the programs and services but how much to spend on each of them in the next operating budget. Much more productive talks are going on for the separate transportation and capital budgets, and passage of the former could occur Thursday.

It is the operating budget where the fiscal challenges and the political conflict are the greatest.

Lawmakers are laboring under an order from the state Supreme Court to put billions of additional dollars into public schools. And a federal judge told them to fix the mental health system, which will require tens of millions of dollars.

Teachers and state workers are pressing for a pay hike after years of going without. And those agencies are looking to replenish budgets drained in the recession.

Democrats want to restore funding to at least pre-recession levels in many human service, health care and education programs. In many places they want put in even more and say this requires revenue through a new or higher tax.

Republicans would spend money in most of the same places as Democrats, just not as much. They also oppose any new taxes. To make ends meet, they rely on shifting several hundred million dollars from other accounts into the general fund.

As of Friday, House Democrats and Senate Republicans were exchanging offers but not near an agreement on how much to spend in the next budget. If they can decide the size of the next budget, then a deal could be put together quickly.

Meanwhile, the countdown to a shutdown continues, though the state isn't venturing into uncharted ground [like in 2013](#).

That year, preparations didn't kick into gear until mid-June. That's when agency leaders [figured out](#) which programs had to continue, like prisons, or could continue because they were not reliant on state dollars. Those dependent on state money faced the potential of a complete closure, had lawmakers not reached a deal.

This time around agencies are better prepared. All have turned in updated contingency plans that reveal how a partial shutdown could have far-reaching impacts.

State leaders could decide to shutter the Liquor and Cannabis Board, stop payment of certain college aid grants, suspend community supervision of some convicted offenders, halt the state lottery, reduce or cancel ferry service, cancel state park reservations and not collect tolls on the Tacoma Narrows Bridge.

Department of Transportation officials said this week they want to be sure the public understands no decisions have been made.

“We remain confident there will be a transportation budget in place before the end of the current biennium before disrupting any services or projects,” DOT spokesman Lars Erickson wrote in an email. “The prudent path is to start thinking about impacts, as agencies across state government are all doing.”

The only time Washington started a fiscal year without a budget occurred in 1951, a time when the fiscal year began April 1.

State lawmakers nearly [ran out the clock](#) in 1991. That year the House and Senate approved a budget early on June 30 and Gov. Booth Gardner signed it. It was filed at 11:58 p.m.

In 2001, they came close as well. The Legislature adopted a budget early on June 21 and Gov. Gary Locke signed it six days later.

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